(b) to (d) Government of Andhra Pradesh has envisaged to implement number of developmental and welfare schemes to ameliorate the living conditions of weavers in the State with the assistance of Government of India. The Schemes include Integrated Handlooms Development Scheme, Handloom Cluster Development Programme, Technology Upgradation Fund Scheme, Integrated Handlooms Training Project, Reimbursement of 10% One-time Rebate Scheme, Handloom Exhibitions, Mahatma Gandhi Bunkar Bima Yojana, Health Insurance Scheme, Thrift Fund-cum-Savings & Security Scheme, Workshed-cum-Housing Scheme, Old Age Pensions, Netha Bazaars, 10% Yarn Subsidy, Pavalavaddin Scheme/ Interest Subsidy etc.

This Ministry has constituted a high level committee headed by MD-NABARD to look into the problems of high cost of working capital and choking of credit lines in the handloom sector. The financial package for Handloom Sector worth Rs.2600 crore has been sent to Ministry of Finance for their approval. This financial package to handloom sector shall provide:

(i) Financing the credit needs of handloom weavers/societies at 7% rate of interest with interest subvention to NABARD and banks from Government of India.

(ii) Waiver of overdue loans and interest in respect of Weavers/PWCs/Apex Societies.

Government of India has been implementing various handloom schemes, which are equally applicable to all states, including the State of Andhra Pradesh. The Central assistance is released to State Government of Andhra Pradesh on receipt of viable proposals. Government of Andhra Pradesh has been released Rs. 1411.99 lakh, Rs. 1332.91 lakh and Rs.2472,06 lakh under various schemes during 2005-06, 2006-07 and 2007-08, respectively.

Relief package for textile industry

614. SHRI T.T.V. DHINAKARAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Government proposes to provide a relief package for textile industry to bail out the industry from crisis;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) to (c) The Government has always endeavoured to extend timely and appropriate support to the textile industry. Government has, in the past, taken various steps to enable textile industry to overcome the crises. The steps taken by the Government in the past are given in the enclosed statement.

Statement

Steps taken by the Government to mitigate the problems faced by Indian Textile Industry over the past one year or so, specially in the wake of unprecedented appreciation of rupee vis-a-vis US Dollar and the other prevalent factors.

I. The Government provided, in 2007-08, several relief measures for Textiles exporters as under:

- Duty Entitlement Pass Book (DEPB) rates enhanced by 3%.
- Export Credit Guarantee Corporation (ECGC) premium reduced by 10%.

• An amount of Rs. 600 crore released for clearing arrears of Central Sales Tax (CST) reimbursement and terminal excise duty.

• Duty drawback rates enhanced by 10-40% of the existing rates.

• Subvention on credit rate allowed upto 4% including interest subsidy of 2%.

• Refund of service tax paid by exporters on services linked to export of goods *viz* port services for exports, transport of goods by road from container depot to port of export, general insurance services for insurance of goods for export, technical testing and analysis agency services and inspection and certification services, storage & warehousing services and clearing activity services.

• Customs duty on intermediates for Polyester staple fibre and polyester filament yarn reduced from 7.5% to 5%.

• Customs duty on paraxylene, a raw material for the intermediate Pure Tarephthalic Acid (PTA) reduced from 2% to 0%.

• Customs duty reduced on other man-made filament yarn & staple fibres of acrylic & viscose from 10% to 5%.

• Customs duty reduced in spun yarn of man-made staple fibres & filament yarn (other than nylon) from 10% to 5%.

• Customs duty reduced in polyester chips from 7.5% to 5%.

Further, various steps have been taken from time to time by the Government for the textile sector as follows:-

(i) 100% Foreign Direct Investment is allowed in the textiles sector under the automatic route.

(ii) The Government has de-reserved readymade garments, hosiery and knitwear from the Small Scale Industry (SSI) sector.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been operational from 1-4-1999 to facilitate the modernisation and Upgradation of the sector. The TUFS has been extended beyond 31.3.2007 and has been modified in consultation with the industry and approval of the Competent Authority *w.e.f.* 1st November 2007. The Scheme is now in operation. For the speedy modernisation of the textiles processing sector, Government has introduced, *w.e.f.* 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) A new "Scheme for Integrated Textile Parks" was formulated by merging the "Scheme for Apparel Parks for Exports" and the "Textiles Centre Infrastructure Development Scheme", in order to expand the production base of the textiles and garment sector.

(v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.

(vi) The import of specified textiles and garment machinery has been allowed at a concessional rate of customs duty to encourage investment and to make our textiles product competitive in the

global market. The cost of machinery has also been reduced through fiscal policy measures.

(vii) The Duty-free import of 21 items of trimmings and embellishment items is allowed to garment exporters. This can be upto 3% of their actual export performance during the previous year.

(viii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(ix) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues on most machinery items.

(x) Government has launched the Debt Restructuring Scheme *w.e.f.* Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

II. The following announcements were made in the Budget 2008-09:

(i) Schemes for Integrated Textile Parks (SITP) and the Technology Upgradation Fund (TUF) to be continued in the Eleventh Plan period; Provision for SITP being maintained at Rs.450 crore in 2008-09; Provision for TUF to be increased to Rs. 1,090 crore in 2008-09 from Rs.911 crore in 2007-08.

(ii) 250 clusters being developed and 443 yarn banks established under the cluster approach to the development of the handloom sector; Over 17 lakh families of weavers to be covered under the health insurance scheme by March 2008; Allocation being increased to Rs.340 crore in 2008-09; Infrastructure and production being scaled up by taking up six centres for development as mega clusters; Varanasi and Sibsagar to be taken up for handlooms, Bhiwandi and Erode for powerlooms, and Narsapur and Moradabad for handicrafts; Each mega-cluster to require about Rs.70 crore; Initial provision of Rs.100 crore made in 2008-09.

(iii) National Calamity Contingent Duty (NCCD) of 1 per cent removed on polyester filament yarn

Though not specific to the textile sector, the budget announcements also comprised a 'Skill Development Mission'. A non-profit corporation is to be established with the entrusted mission to address to challenge of imparting the skills required by a growing economy; Rs.15,000 crore proposed to be garnered as capital from Governments, public and private sector, and bilateral/multilateral sources; Government's equity in the proposed non-profit corporation to be Rs. 1,000 crore to begin with. 238 Industrial Training Institutes (ITIs) are to be upgraded under the World Bank assisted scheme; under the Public, Private Participation (PPP) scheme, 309 ITIs have been identified in 29 States with corresponding industry partners and agreements signed in 244 cases; Rs.750 crore will be set apart in 2008-09 in anticipation of upgrading 300 more ITIs.

In addition, to contain the crisis accentuated due to the rise in prices of cotton and cotton yarns, the Government has enforced following measures:

(i) The drawback incentive @ 1% on export of cotton has been withdrawn;

(ii) Import duty on cotton has been removed.

(iii) A Notification has been issued on 22nd July, 2008 stipulating that the contracts for export of cotton shall be registered with the Textile Commissioner prior to shipment.

Setting up of new textile parks

615. SHRI AMIR ALAM KHAN: Will the Minister of TEXTILES be pleased to state:

(a) the status of setting up of 50 new textile parks to provide employment in the textile sector;

(b) whether the locations have been identified for setting up of these parks;

(c) if so, the details thereof; and

(d) the expected time by when these parks would be established in the country?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) As per the target, 30 projects in 10th Five Year Plan and 10 projects in the 1st phase of 11th Five Year Plan, *i.e.* total 40 projects have been approved under the Scheme for Integrated Textiles Parks (SITP).

(b) and (c) Locations of these approved projects are -Andhra Pradesh (2 projects in Ananthpur and one each in Mahboob Nagar, Nellore, Pochampally and Visakhapatnam), Assam (Darrang), Gujarat (5 projects in Surat and one each in Kutch and Kheda), Karnataka (1 project in Dodballapur), Maharashtra (3 projects in Ichalkaranji and one each in Baramati, Bhiwandi, Tarapur, Dhule, Hingoli, Islampur and Latur), Punjab (one each in Barnala and Nawansehar), Rajasthan (2 projects in Kishangarh and one each in Pali and Jaipur), Tamil Nadu (one each in Cuddalore, Karur, Komarapalayam, Madurai, Palladam and Perundurai), Uttar Pradesh (1 project in Gorakhpur), West Bengal (one each in Kolkata and North 24 Pargana).

(d) One project was inaugurated in April, 2008. Three more projects have reported completion. Five more projects are expected to be completed by March, 2009. Remaining projects are expected to be completed in 2009/2010.

Workers rendered jobless due to closure of Textile Mills

616. SHRI BANWARI LAL KANCHHAL: Will the Minister of TEXTILES be pleased to state:

(a) the total number of workers rendered jobless due to closure of textile mills during the last five years;

(b) the measure taken to rehabilitate them;

(c) the number of workers given financial assistance so far;

(d) whether lakhs of workers have been given financial assistance so far; and

(e) the measures taken to ensure assistance to each and every worker rendered jobless, without fail?